

**DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION
PROJECT REVIEW PROCEDURES**
(Revised 2/14/00)

Established in 1967 and enabled under ARS 41-791.01, the Statutory Review Section of Building & Planning Services is charged with the review and approval of State funded construction projects, Capital Outlay or Building Renewal, exceeding \$25,000.00.

The following procedures are provided to further define the Section's roles and responsibilities.

1. SUBMISSION OF ARCHITECTURAL, ENGINEERING AND CONSTRUCTION CONTRACTS

Architectural/Engineering Contracts

Architectural/Engineering contracts and changes thereof, including authorization of additional services, must be reviewed prior to the commencement of work.

The contract form to be utilized is the 1987 Edition of the AIA Standard Form of Agreement Between Owner and Architect, Arizona Edition, AZ-B141-1992. This contract is available through the Building & Planning Services Office or the Arizona AIA office.

In order to define project scope, all contracts require an established design control amount for the preparation of plans and specifications. In cases where the estimated amount exceed appropriations or significantly differ from budgetary requests, the justification for the revised construction cost must accompany the contract along with the identified source of additional funds.

All contracts for projects submitted to the Building & Planning Services Office for review shall be accompanied with the following items:

- A. Project Name and Funding Source - Authorization (Appropriation, Building Renewal, ADA, etc.), AFIS ORG/Activity Code, PCA and unencumbered amounts
- B. Identify vendor registration lists used for solicitation notification or Newspaper Publication.
- C. Request for Proposal, including; if applicable:
 - Minutes of pre-proposal meeting
 - Addenda
- D. A/E Selection Committee Members, including:
 - Names
 - Affiliation
 - Registration
 - Conflict of Interest Check Form

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 2

- E. Proposal Evaluation Process:
 - Summary of scores for written evaluation and identification of short listed firms
 - Summary of scores for oral interviews and final ranking of
- F. Procurement officer's summary of selection process and principal elements of negotiation including final scope of work and fee proposal.
- G. Contract Package, including:
 - A/E Contract
 - State Certificate of Insurance
 - Vendor's written proposal

Contract deviations, additions or modifications other than compensation or the scope of work shall be pre-approved through the Civil Division, of the Office of the Attorney General via the Building & Planning Services Office.

Continuing Services Contracts

A Continuing Service Contract is a Change Order modification to a base hourly professional services contract intended for state wide or agency wide use authorizing limited services for a specific project.

The maximum fee, excluding reimbursable, per project shall be \$25,000 and the maximum construction budget shall be \$300,000.

Each project authorization is considered a new architectural contract for review purposes and shall be executed in the following manner:

The agency shall review the qualifications of the individual firms available for continuing services contract work and select the most qualified firm.

The agency and the consultant shall review the need and develop a scope of work, estimated construction budget and fee based upon a manpower budget and the established hourly rates. In the event the agency and the firm can not reach a successful agreement on scope or fees, discussions shall be terminated and the second most qualified firm may be contacted.

Continuing services authorization Form GS107, or equivalent, shall be completed and submitted to Building & Planning Services for approval along with appropriate backup documentation.

Upon receipt of the approved form, the Procurement Officer shall issue a Purchase Order for the project. One copy of the purchase order must be returned to Building & Planning Services for our files prior to expenditure of funds.

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 3

Construction Contracts

Construction contracts for projects submitted to the Building & Planning Services Office for review shall be accompanied by the following items:

- A. Project Name and Funding Source - Authorization (Appropriation, Building Renewal, ADA, etc.), AFIS ORG/Activity Code, PCA and unencumbered amounts
- B. Identify vendor registration lists used for solicitation notification or Affidavit of Newspaper Publication
- C. Certified Bid Tabulation
- D. Contractor's Complete Bid Package
- E. Contractor's Final Subcontractor's List, including License Numbers, if substitutions have occurred provide documentation and approval of all changes. ADOA policy does not permit substitution without written approval of the using agency, ADOA and architect
- F. A/E or Project Manager Evaluation of Proposals and Recommendation of Award
- G. Contract Package, including:
 - Construction Contract
 - Contract award amount and accepted alternates
 - Complete list of documents, including plan sheets numbers and addenda
 - Statutory Performance and Payment Bond
 - State Certificate of Insurance

Subsequent to ADOA review and prior to award of project in excess of \$250,000.00, the Procurement Officer shall verify compliance with the JCCR review requirements of ARS 41-1252.

2. SUBMISSION OF PLANS AND SPECIFICATIONS AND CHANGES THEREOF FOR ALL PROJECTS AND IMPROVEMENTS FOR WHICH FUNDS ARE APPROPRIATED BY THE LEGISLATURE

All projects shall be designed to comply with applicable local construction codes and laws (ARS 34-461), along with the requirements of the State Fire Marshal's Office (ARS 41-2163), the Arizona Department of Administration, Risk Management Office (R2-10-201), the State Historic Preservation Office (ARS 41-861) and required archeological clearances (ARS 41-844).

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 4

All new construction documents must incorporate the energy conservation standards and life cycle cost analysis (ARS 34-452), (ASHRAE 90.1-1989), water conservation (Executive Order 91-3), back flow prevention (R18-4-232), handicapped accessibility (ARS 41-1492.01), (R10-3-401) and solar orientation/utilization (ARS 34-452).

All remodeling/renovation projects within buildings constructed prior to 1980 must include a site assessment report for hazardous substances, (Risk Management Office, R2-10-501).

Additional State design criteria for major office facilities exists in areas of floor loading, electrical systems, security systems, locking systems and telecommunication systems. An early pre-design meeting with the team to review these issues is recommended.

Project Documents

Final working drawings, specifications, structural calculations and soil investigation reports should be submitted to the Building & Planning Services Office prior to the completion of the legal advertising schedule or vendor notification or immediately upon availability, if late.

Copies of all addenda issued prior to the awarding of the construction contract shall also be submitted for approval. Addenda are to be sealed by the registrant (R4-30-304) and submitted to the Building & Planning Services Office within seven (7) days of issuance.

Within the bidding package, the following items should be included or addressed:

- A. General Conditions approved by the Attorney General's Office. The 1987 Edition of the AIA-A201, General Conditions of the Contract for Construction Arizona Edition, AZ-A201-1992 and subsequently issued modifications.
- B. Construction contract approved by the Attorney General's Office.
- C. Ten (10) percent Bid Bond - SP301.
- D. Subcontractor List. Subcontractor license numbers are optional at bid time, however, they must be submitted prior to contract award.
- E. Non-Collusion Affidavit or equivalent
- F. Statutory Performance Bond Form - SP302
- G. Statutory Payment Bond Form - SP303
- H. State Insurance Form - SP221
- I. Contractor's substitution of specified materials by prior approval only, Form GS-110 or equivalent
- J. Signed and sealed drawings, calculations and specifications

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 5

- K. Code/Occupancy criteria. The index page of each set of project plans shall, at a minimum, itemize the following building information:

Applicable codes, Building area, Occupancy type and load, Floor loading, Fire detection system and Fire protection system
- L. Minimum of two year watertight guarantee on new roofing and flashing
- M. Compliance with Attorney General directive, dated February 28, 1992. Voluntary trade organizations memberships' cannot be required to perform work
- N. Approval of fire detection/protection system by Risk Management
- O. Approval of fire detection/protection system by State Fire Marshal
- P. Compliance with handicapped accessibility requirements
- Q. Compliance with energy conservation life cycle cost analysis requirement
- R. Compliance with water conservation/back flow prevention regulations
- S. Solar energy/features report (if construction exceeds 6,000 square feet)
- T. Hazardous material site assessment (if original construction prior to 1980)
- U. Soils reports
- V. Structural calculations
- W. SHPO/Archeology clearance, if necessary.

3. REVIEW ALL PROGRESS PAYMENTS ON ALL MAJOR PROJECTS AND IMPROVEMENTS

Encumbrances and Claims for all projects shall be reviewed prior to processing by the General Accounting Office. In accordance with USAS Procedures Manual the project number of all construction project funding must start with the 2 digits '90' and all Building Renewal projects must start with '91'.

Prior to the review and approval of encumbrances pertaining to architectural/engineering and construction contracts, copies of the referenced documents must be on file in the Building & Planning Services Office. Encumbrances for agency purchases shall include the bid number and, where sealed bids are involved, a copy of the information for bidding shall be submitted within four (4) weeks of execution of the contract.

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 6

Claims submitted for review and approval must be accompanied by substantiating invoices and receiving reports.

Encumbrances and claims for material and equipment purchases in support of inmate labor or tenant improvement projects are exempt from this section.

Final payment to a contractor must include, in addition to the Pay Request, the Architect's Certification of Completion of Construction; GS100, along with copies of AIA Document G704, Certificate of Substantial Completion; AIA Document G706, Contractor's Affidavit of Release of Liens; AIA Document G706A, Contractor's Affidavit of Payment of Debts and Claims; AIA Document G707, Consent of Surety Company to Final Payment; completed Special Inspection Certificate, if applicable, and Architect's statement of Project Completion.

In the event the general contractor elects to deposit securities in lieu of the statutory retention, the instruments should be held by the State, together with the contractor's assignment of the deposit and the bank's receipt and waiver. Alternately, the contractor may utilize an escrow agreement approved by the Office of the Attorney General. In this case, the contractor's monthly Pay Requests must include a statement of securities on deposit with the agency. Securities in Lieu of Retention shall not be released to the contractor without the prior approval of the Building & Planning Services Office.

4. MAKE REGULAR INSPECTIONS OF ALL PROJECTS AND IMPROVEMENTS DURING THE COURSE OF CONSTRUCTION TO ENSURE COMPLIANCE WITH THE PLANS AND SPECIFICATIONS APPROVED

Upon issuance of the contractor's written notice to proceed, furnish one copy to Building & Planning Services to begin project inspections. Periodically during the course of construction, inspections will be made at the job site to review progress and compliance with the approved plans and specifications. At all times, one set of approved plans and specifications, along with all Change Orders and Field Orders must be maintained at the job site. One copy of the Building & Planning Services inspectors' site observations and inspection report will be left, if possible, at the job site. An additional copy will be furnished to the Owner's designated agent.

Contract and statutory requirements mandate compliance with local codes and their required inspection criteria. Form GS100 must be completed prior to construction start identifying the responsible party in this matter.

Special inspection reports, if required by code, shall be filed monthly with the Building & Planning Services Office.

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 7

5. REVIEW AND APPROVE ALL CHANGES TO CONTRACTS AND DOCUMENTS

Architectural/Engineering Services

Copies of all authorizations of additional services or other design contract amendments shall be submitted for review and approval. Documents shall include a statement of costs and services to be provided.

The following items shall be submitted to the Building & Planning Services Office for review of A/E Service Amendments and Design Change Notices:

- A. Project Name, Funding Source and unencumbered amounts
- B. Detailed Scope of Work
- C. Revised construction budget and source of additional funding, if applicable
- D. Agency Evaluation and Recommendation

If any requested Change Order items exceed the amount set forth in R2-7-310, written agency justification is required.

- E. A/E Amendment to Contract

Construction Contracts

Change Orders shall be reviewed and approved by the Building & Planning Services Office prior to any financial commitment by the contracting agency.

The following items shall be submitted to the Building & Planning Services Office for review and approval of Change Orders:

- A. Project Name and Funding Source - Authorization, AFIS, ORG/Activity Code, PCA and unencumbered amounts
- B. Change Order AIA G701, including copies of associated proposal requests or drawings
- C. A/E Evaluation and Recommendation

If any requested Change Order items exceed the amount set forth in R2-7-310, written agency justification and the General Manager's approval is required.

- D. Contractor's and Subcontractor's cost breakdown per Article 7.2 of the General Conditions, including:

GENERAL SERVICES DIVISION
BUILDING & PLANNING SERVICES
PROJECT REVIEW PROCEDURES (revised 2/14/00)
PAGE 8

- Labor costs
- Material costs
- Equipment/Subcontractor Costs
- Job Site Supervision/Field Office Expenses
- Profit
- Bonds/Insurance
- Taxes

All proposed costs shall be identified by the general contractor and each level of subcontractor participating in a Change Order. Costs shall be allocated in accordance with the standard divisions and sub-divisions established in the Uniform System for Construction Specifications, Data Filing and Cost Accounting published by the Construction Specifications Institute.

No backup, other than identification of total labor and material costs, will be required for any division or sub-division cost of labor and material less than \$1,000.00 or for costs identified within the bid documents.

Any division or sub-division cost exceeding \$1,000.00 shall be itemized into the following categories: labor, material, equipment and subcontracted work. Itemization must contain sufficient detail to determine the basis of cost and scope.

A lump sum change cost may be substituted provided the agency and the architect make a written determination that unit pricing or detailed costing from the contractor is impractical to secure and a detailed estimate is provided by the architect substantiating the Change Order amount.

Each level of subcontractor shall total all direct costs and itemize the additional markups. The general contractor shall itemize and total all direct costs including both additions and deletions. To this amount, add in the following order: job site supervision and field office expenses, and in an amount not to exceed five percent on subcontract work and ten percent on direct work, overhead and profit. The contractor's bond and insurance cost shall be identified and sales tax computed.

Any contract change/amendment item that exceeds \$10,000.00 or 10 percent of the original contract/agreement amount, whichever is greater, or \$100,000.00 must be approved by the Arizona Department of Administration, General Manager of the Building & Planning Services Division. The submission must additionally include a detailed letter of justification from the requesting agency, which: (1) Describes the proposed work and (2) state why approval of the change is in the best interest of the State. In the letter of justification, the following specific questions must be answered:

- I. Description of proposed work
- II. Requirement to proceed with Change Order work at this time
- III. Reasons for not going to competitive bid
- IV. Proposed cost evaluation